

Message Text

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ACTION ARA-17

INFO OCT-01 ADP-00 XMB-07 OPIC-12 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02

CIAE-00 INR-10 NSAE-00 RSR-01 /118 W

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R 012018 Z JUN 73

FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 6288

CONFIDENTIAL MEXICO 3933

E. O. 11652: GDS
TAGS: PGOV, MX
SUBJECT: RESIGNATION OF SECRETARY MARGAIN

1. THE FOLLOWING COMMENTS ON THE RESIGNATION OF SECRETARY OF TREASURY MARGAIN ARE PURELY PERSONAL ONES BASED ON A FRIENDSHIP OF OVER FOUR YEARS DURING WHICH WE HAVE BEEN QUITE CLOSE FRIENDS DURING HIS TENURE AS AMBASSADOR TO WASHINGTON AND LATER SINCE HIS APPOINTMENT AT THE END OF DIAZ ORDAZ TERM AT ECHEVERRIA'S REQUEST AS SECRETARY OF TREASURY.

2. MARGAIN HAS NEVER FITTED CLOSELY INTO THE PATTERN WHICH ECHEVERRIA HAS TRIED TO CREATE OF EXTREME INFORMALITY AND AN OVERRIDING CONCERN FOR THE COMMON MAN. MARGAIN HAS RATHER BEEN THE CLASSIC TREASURY MINISTER WHO HAS ATTEMPTED TO FOLLOW AND PROMOTE ORTHODOX FINANCIAL POLICIES. DESPITE HIS EXTREME DISCRETION SOME EVIDENCE OF HIS CONCERN OVER THE LACK OF INTEREST OF THE PRESIDENT IN BALANCING THE BUDGET AND SUCH USUAL MATTERS HAS COME TO THE SURFACE WITH ME AND WITH MUTUAL FRIENDS. HE HAS APPEARED INCREASINGLY HARASSED DURING THE MORE RECENT TALKS WHICH I HAVE HAD WITH HIM AND HAS BEEN SOMETIMES EVASIVE ON OCCASION. I SHOULD STRESS THAT HIS LOYALTY TO ECHEVERRIA IN CONVERSATIONS WITH ME HAS ALWAYS BEEN COMPLETE.

3. ONE OF THE PROBLEMS OF COURSE HAS BEEN THAT MARGAIN THOUGH-OUT HIS ACTIVE LIFE HAS BEEN INTIMATELY ASSOCIATED WITH THOSE

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ELEMENTS WHICH NOW DOMINATE THE PRIVATE SECTOR OF MEXICAN BANKING AND BUSINESS. THESE ARE HIS CLOSE PERSONAL FRIENDS AND HE HAS HAD TO ADOPT AN ATTITUDE OF DISSOCIATION FROM THEM BECAUSE OF THE GENERALLY ANTAGONISTIC ATTITUDE OF THIS ADMINISTRATION TO THESE

PEOPLE. INDIVIDUALS HAVE COMPLAINED TO ME THAT THEY HAVE KNOWN MARGAIN FOR MANY YEARS AND HE HAS COMPLETELY REFUSED TO SEE THEM. THIS IS OBVIOUSLY BECAUSE HE WOULD HAVE TO REJECT THEIR PROPOSALS WHICH PRESUMABLY WOULD REFLECT THE POSITION OF THE PRIVATE SECTOR AND THEREFORE NOT BE IN ACCORD WITH THE POLILIES OF THE ECHEVERRIA GOVERNMENT.

4. IN RECENT MONTHS MARGAIN HAS RECEDED SOMEWHAT FROM VIEW AS THE SOCIALIST- LEANING SECRETARY OF NATIONAL PATRIMONY FLORES DE LA PENA (NOW IN CHILE) HAS OBVIOUSLY GAINED POWER. THIS HAS BEEN WIDELY DISCUSSED THROUGHOUT MEXICO WITH DISMAY BY THE PRIVATE SECTOR. I HAVE NOT ATTEMPTED TO SEE MARGAIN SINCE HIS RESIGNATION AND PLAN TO WAIT A WEEK OR SO. I AM SURE HE WILL REMAIN DISCREET. PERHAPS I WILL BE ABLE TO CONFIRM MY VIEW THAT HIS DEPARTURE, WHILE POSSIBLY BROUGHT ABOUT BY SOME SPECIFIC INCIDENT WITH THE PRESIDENT, IS BASICALLY SIMPLY A RECOGNITION BY MARGAIN HIMSELF THAT HIS CONSERVATIVE AND ORTHODOX VIEWS ON ECONOMIC AND FINANCIAL MATTERS WERE FUNDAMENTALLY OUT OF LINE WITH THE NEO- CARDENISM WHICH HAS GAINED THE UPPER HAND IN THIS ADMINISTRATION. ONE NEED NOT BELABOR MARGAIN' S DISTRESS AT THE SPENDING PROGRAMS WHICH HAVE BEEN ANNOUNCED BUT CERTAINLY HIS DEPARTURE REPRESENTS ON HIS PART A DISENCHANTMENT WITH WHAT IS GOING ON VERY POSSIBLY COUPLED WITH AN UNHAPPINESS ON THE PART OF THE PRESIDENT AT MARGAIN' S RELUCTANCE TO SUPPORT ENTHUSIASTICALLY VARIOUS OF THESE SPENDING PROGRAMS.

5. WE WILL BE REPORTING MUCH MORE IN DEPTH LATER OF COURSE ON ATTITUDES ADESHOULD BE ELECTITO TAKELATER IF THAT BECOMES NEBAL

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Message Attributes

Automatic Decaptoning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MEXICO03933
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730635/abqcefyc.tel
Line Count: 82
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 12 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: WITHDRAWN <23-Jan-2002 by kelleyw0, 3.4.X6>; RELEASED <12 FEB 2002 by garlanwa>; APPROVED <12 FEB 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 980213
Subject: RESIGNATION OF SECRETARY MARGAIN
TAGS: PGOV, MX
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005